

Assembly Bill No. 986

Passed the Assembly September 2, 2003

Chief Clerk of the Assembly

Passed the Senate August 27, 2003

Secretary of the Senate

This bill was received by the Governor this _____ day of
_____, 2003, at _____ o'clock __M.

Private Secretary of the Governor

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CHAPTER _____

An act to add Section 38 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 986, Jerome Horton. Tax collections: consolidation.

Existing law imposes various taxes that are administered by the Franchise Tax Board, the State Board of Equalization, and the Employment Development Department.

This bill would require the Legislative Analyst to submit a report to the Legislature by November 1, 2004, regarding the possible consolidation of the remittance processing and cashiering functions and the mail processing operations, of the Franchise Tax Board, the State Board of Equalization, and the Employment Development Department, based upon specified criteria.

This bill would require the Franchise Tax Board, the State Board of Equalization, and the Employment Development Department to assist the Legislative Analyst, as specified, in the preparation of the report required by this bill.

The people of the State of California do enact as follows:

SECTION 1. Section 38 is added to the Revenue and Taxation Code, to read:

38. (a) The Legislative Analyst shall submit a report to the Legislature regarding the possible consolidation of the remittance processing and cashiering functions and the mail processing operations, of the Franchise Tax Board, the State Board of Equalization, and the Employment Development Department.

(b) The Franchise Tax Board, the State Board of Equalization, and the Employment Development Department shall provide the Legislative Analyst all data and information that the Legislative Analyst identifies as necessary for completing the report and shall assist the Legislative Analyst in the preparation of the report. The information provided to the Legislative Analyst shall include, but not be limited to, an evaluation of the short- and long-term fiscal and budgetary advantages and disadvantages that would result from the proposed consolidation of the remittance processing and



cashiering functions and the mail processing functions of, the Franchise Tax Board, the State Board of Equalization, and the Employment Development Department. Any data and information requested by the Legislative Analyst shall be submitted on or before July 1, 2004.

(c) The purpose of the report required by this section is to determine, to the extent possible and based on available information and reasonable assumptions, if there are any benefits to the consolidation of the management and control of these operations based on all of the following criteria:

(1) The elimination of duplicative functions and fragmented responsibilities.

(2) Increased operational efficiencies due to the use of improved technologies and economies of scale.

(3) Additional interest earnings for the state.

(d) For purposes of this section, “remittance processing and cashiering” means receiving, batching, balancing, and depositing remittances.

(e) The Legislative Analyst shall provide to the Legislature its report and any recommendations and considerations with regard to the possible consolidation of these functions by November 1, 2004.



Approved _____, 2003

Governor

